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SIPDIS

STATE FOR WHA/CAR AND EB/IFD/OIA

E.O. 12958: N/A

TAGS: [CASC](#) [EINV](#) [KIDE](#) [OPIC](#) [PGOV](#) [VC](#) [XL](#)

SUBJECT: 2008 EXPROPRIATION REPORT: ST. VINCENT AND THE GRENADINES

REF: STATE 43784

St. Vincent and the Grenadines

The United States Government is aware of one (1) outstanding claim of United States persons against the Government of St. Vincent and the Grenadines (GOSVG).

11. a. Claimant A

b. June 2006

c. In June, 2007, the SVG High Court found that Claimant A had violated the terms of the "Alien's (Land-Holding Regulation) Act." The court ruled that Claimant A was required to spend a minimum of USD 15 million on construction within three years of receiving title to 100 acres of land at Chatham Bay on Union Island in the southern Grenadines, and that the claimant's failure to do so meant that Claimant A must "forfeit the land to the government without compensation. Citing the danger of foreign investors taking advantage of the the lack of capital gains taxes as a way to speculate on land, Acting High Court Judge Albert Matthews stated, "It is my view that the purpose of such legislation is to obviate any attempt towards recolonization."

Claimant A originally planned to develop a resort on Union Island, but claims that lack of access not only made the land difficult to develop, but also difficult to sell. No roads led to the property on Chatham Bay and no planes larger than 12-seaters can fly into Union Island, making it difficult to bring in international visitors for a large hotel.

Ambassador Ourisman raised this case with Prime Minister Ralph Gonsalves in October, 2007. Gonsalves said the government had offered to pay Claimant A the original purchase price of the land, plus interest. Gonsalves further claimed that when he had communicated this offer to Claimant A through his lawyer, Claimant A refused it and demanded compensation of USD 25 million. In a private conversation with Embassy Officers, Claimant A stated that the GOSVG never offered to pay any amount. Embassy Officers informed Claimant A that PM Gonsalves assured Ambassador Ourisman that he was willing to honor his original offer to Claimant A. With regard to the problem of property access, PM Gonsalves told Ambassador Ourisman that the government had invested in infrastructure such as a road to Chatham Bay, which had raised the value of the property. According to Claimant A, there was never notification of the existence of the road.

Claimant A has appealed the High Court's ruling and is awaiting a response to the appeal. Claimant A further expressed a lack of confidence in the independence of the GOSVG judicial system, and expected to also lose the appeal. However, Claimant A informed Embassy Officers of his intention to appeal the case up to the Privy Council in London (the court of final appeal for such cases). The Embassy has not received any further information since November,

[¶](#)2007.

d. Claimant A: Haze Richardson and Lynn Richardson, Chatam Bay Development CJorp., Ltd.; United States citizens; no Privacy Act Waivers signed.

OURISMAN